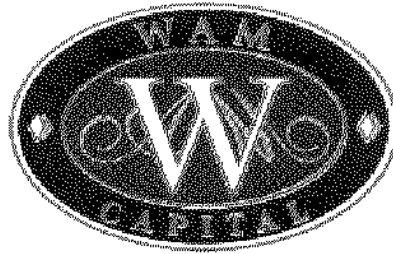


WAM CAPITAL LIMITED

(ACN 086 587 305)



WAM CAPITAL FEBRUARY 2007 INVESTMENT UPDATE & NTA

Since inception in August 1999 WAM Capital Ltd (WAM) has outperformed the overall sharemarket. WAM's portfolio (before all fees, costs, taxes and dividend) has increased by 499.3% compared to a 165.3% increase in the All Ordinaries Accumulation Index.

- In February WAM's gross portfolio (before all fees, costs and taxes) increased by 0.39%, while the All Ordinaries Accumulation Index rose by 1.59%.
- The gross portfolio has increased 34.4% for the 12 months to 28 February 2007.
- The gross portfolio has increased 27.4% for the 8 months to 28 February 2007.
- The NTA before tax was 197.56* cents a share, as at 28 February 2007.
- The NTA after tax was 179.82 cents a share, as at 28 February 2007.

The above figures are undiluted for unexercised options and after the exercise of 2,838,322 options at \$1.80 each. The above figures are also before the payment of an interim dividend of 8.0 cents a share fully franked, payable on the 27 April 2007.

*This is after the payment of \$1,350,611 (1.90 cents a share) in tax.

WAM is an investment company whose mission is to provide superior returns to its investors over the medium to long term. WAM is managed by Wilson Asset Management (International) Pty Limited.

MARKET OUTLOOK

February saw volatility return to the market after a long upward march. Since the bull market began in March 2003, there have been several bouts of volatility that have seen the market fall suddenly only to rebound sharply. We would expect this type of volatility to become more common as valuations move higher. There can be little doubting the Australian market, especially the industrial sector is expensive. A significant portion of the recent rise in the industrial sector has been due to earning multiples expanding rather than profit growth. This is a dangerous situation. In simple terms, when PE ratios expand it means investors are prepared to take on more risk. As a consequence we remain cautious.

DIVIDEND

On the 6th February the Directors declared an interim dividend of 8.0 cents a share fully franked payable on the 27 April 2007. The shares will trade ex dividend on 16 April 2007.

Option holders who exercise their options by the 13 April 2007 will receive the interim dividend of 8.0 cents a share.

OPTIONS ISSUE

On 24th October 2006, the Directors of WAM Capital Limited announced a 1 for 1 bonus issue of options to its shareholders. The options were allotted to shareholders on 1st December 2006 and have been issued at no cost to shareholders. The options have an exercise price of \$1.80 per option and can be exercised any time up until the expiry date of 17 December 2007.

As at the 6th March 3,227,233 options have been exercised for a total consideration of \$5,809,019 with a remaining balance of outstanding options being 64,983,538.

PORTFOLIO STRUCTURE & STRATEGY

As at 28 February 2007, listed securities made up approximately 85% of the portfolio, while fixed interest and cash made up the remaining 15%. We continue to focus on companies with strong earnings per share growth, trading on attractive earnings multiples, and are well positioned in growth industries and have proven management. We continue to research heavily to find companies that meet this profile.

At 28 February 2007 the major securities held in the portfolio were:

COMPANY	MARKET VALUE \$
AJ Lucas Group Ltd (AJL)	1,479,055.50
Antares Energy Ltd Unsec Conv Notes (AZZG)	1,393,000.00
Bank of Queensland Reset Prefs (BOQPB)	1,683,885.00
Clime Investment Ltd (CIW)	2,215,313.88
Coffey International Ltd (COF)	2,897,948.40
Credit Corp Group Ltd (CCP)	7,508,085.00
Harvey Norman Holdings Ltd (HVN)	1,415,925.00
Henderson Group Plc (HGI)	3,153,920.00
IWL Ltd (IWL)	2,272,436.40
Linq Resources Fund (LRF)	2,181,380.25
Ludowici Ltd (LDW)	1,693,825.16
Mariner Bridge Investments Ltd (MBR)	2,837,532.12
Mariner Financial Ltd (MFI)	1,458,000.00
McMillan Shakespeare Ltd (MMS)	3,731,890.40
Melbourne IT Ltd (MLB)	3,395,148.68
MMC Contrarian Ltd (MMA)	3,459,954.36
Monadelphous Group Ltd (MND)	2,238,600.00
News Corp (NWS)	2,090,900.00
Photon Group Ltd (PGA)	3,985,422.54
Rattoon Holdings Ltd (RTN)	3,470,597.76
Rebel Sport Ltd (REB)	2,314,511.75
Reckon Ltd (RKN)	4,706,577.49
Reef Casino Trust (RCT)	1,377,823.20
Reverse Corp Ltd (REF)	4,155,638.40
Select Harvests Ltd (SHV)	1,930,610.51
Service Stream Ltd (SSM)	1,962,387.00
Tassal Group Ltd (TGR)	1,657,021.56
Timbercorp Ltd (TIM)	2,089,500.00
Tower Australia Ltd (TAL)	1,638,193.61
Wotif.com Holdings Ltd (WTF)	1,627,516.02
NTA before tax	197.56c*
NTA after tax and before tax on unrealised gains	193.32c
NTA after tax	179.52c

The above figures are undiluted for unexercised options and after the exercise of 2,838,322 options at \$1.80 each. The above figures are also before the payment of an interim dividend of 8.0 cents a share fully franked, payable on the 27 April 2007.

* This is after the payment of \$1,350,611 (1.90 cents a share) in tax.

PERFORMANCE TABLE

	Aug 99	Sep 99	Oct 99	Nov 99	Dec 99	Jan 00
Gross Portfolio *	+1.4%	+5.1%	+4.1%	+11.0%	+4.9%	-2.0%
All Ordinaries Accum.	-1.9%	-1.7%	+0.5%	+5.9%	+3.7%	-1.8%
	Feb 00	Mar 00	Apr 00	May 00	Jun 00	Jul 00
Gross Portfolio *	+5.4%	+5.3%	-5.7%	-2.9%	+3.6%	+2.9%
All Ordinaries Accum.	+1.6%	+0.5%	-1.5%	-1.3%	+7.7%	-1.3%
	Aug 00	Sep 00	Oct 00	Nov 00	Dec 00	Jan 01
Gross Portfolio *	+5.2%	-0.7%	+2.5%	+1.9%	+0.1%	+1.7%
All Ordinaries Accum.	+1.7%	+0.2%	-1.1%	+1.1%	-2.0%	+4.4%
	Feb 01	Mar 01	Apr 01	May 01	Jun 01	July 01
Gross Portfolio *	-0.2%	- 3.7%	+3.9%	+6.7%	+6.9%	-1.0%
All Ordinaries Accum.	-0.2%	- 4.8%	+5.7%	+1.6%	+3.8%	-4.5%
	Aug 01	Sep 01	Oct 01	Nov 01	Dec 01	Jan 02
Gross Portfolio *	+4.6%	-2.9%	+8.6%	+3.8%	+3.3%	+7.0%
All Ordinaries Accum.	-1.3%	-6.7%	+6.8%	+3.4%	+2.7%	+1.3%
	Feb 02	Mar 02	Apr 02	May 02	Jun 02	Jul 02
Gross Portfolio *	+3.1%	+4.9%	-0.4%	+0.7%	-2.2%	-3.0%
All Ordinaries Accum.	-1.1%	+0.8%	-1.8%	+0.9%	-4.4%	-4.1%
	Aug 02	Sep 02	Oct 02	Nov 02	Dec 02	Jan 03
Gross Portfolio *	+3.9%	-1.1%	+1.1%	+1.6%	+1.5%	+1.3%
All Ordinaries Accum.	+1.8%	-4.1%	+2.6%	+1.5%	-1.5%	-1.3%
	Feb 03	Mar 03	Apr 03	May 03	Jun 03	Jul 03
Gross Portfolio *	-1.7%	-0.4%	+3.8%	+1.5%	+3.5%	+3.6%
All Ordinaries Accum.	-5.1%	+3.4%	+4.4%	+0.5%	+1.3%	+3.6%
	Aug 03	Sept 03	Oct 03	Nov 03	Dec 03	Jan 04
Gross Portfolio *	+5.2%	+3.7%	+5.4%	-0.7%	+3.6%	+2.5%
All Ordinaries Accum.	+3.5%	-0.1%	+3.5%	-2.1%	+3.7%	-0.7%
	Feb 04	Mar 04	Apr 04	May 04	Jun 04	Jul 04
Gross Portfolio *	+2.7%	+0.1%	-1.3%	-0.8%	+1.0%	+2.4%
All Ordinaries Accum.	+3.1%	+2.0%	-0.1%	+1.6%	+2.7%	+0.6%
	Aug 04	Sep 04	Oct 04	Nov 04	Dec 04	Jan 05
Gross Portfolio *	+1.2%	+2.5%	+2.9%	+3.3%	+0.7%	+2.7%
All Ordinaries Accum.	+1.1%	+3.8%	+3.1%	+4.6%	+3.0%	+1.3%
	Feb 05	Mar 05	Apr 05	May 05	Jun 05	Jul 05
Gross Portfolio *	-0.2%	-0.8%	-4.2%	+0.0%	+2.8%	+2.2%
All Ordinaries Accum.	+1.8%	-0.7%	-3.8%	+3.4%	+4.5%	+2.8%
	Aug 05	Sep 05	Oct 05	Nov 05	Dec 05	Jan 06
Gross Portfolio *	+4.0%	+2.7%	+0.1%	+3.1%	+0.8%	+1.6%
All Ordinaries Accum.	+2.2%	+4.8%	-3.8%	+4.4%	+3.0%	+3.7%
	Feb 06	Mar 06	Apr 06	May 06	Jun 06	Jul 06
Gross Portfolio *	+4.9%	+5.3%	+2.1%	-2.3%	+0.5%	+0.4%
All Ordinaries Accum.	+0.7%	+4.8%	+2.4%	-4.3%	+1.9%	-1.5%
	Aug 06	Sep 06	Oct 06	Nov 06	Dec 06	Jan 07
Gross Portfolio *	+3.4%	+2.4%	+4.7%	+3.6%	+6.1%	+3.8%
All Ordinaries Accum.	+3.2%	+1.3%	+4.8%	+2.5%	+3.6%	+2.0%
	Feb 07	Mar 07	Apr 07	May 07	Jun 07	Since Inception
Gross Portfolio *	+0.39%					+499.3%
All Ordinaries Accum.	+1.59%					+165.3%

*The change in the portfolio before all expenses, fees and taxes.